

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
DELAWARE TOWNSHIP
DELAWARE COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
10/20/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Condition of Records	6
Penalties, Interest and Other Charges	6
Payroll Deductions.....	7
Prescribed Forms	7
Exit Conference	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Denise Thornburg	01-01-03 to 12-31-06
Chairman of the Township Board	Roy Lasater	01-01-03 to 12-31-03
	Randy Vorhees	01-01-04 to 12-31-04
	Roy Lasater	01-01-05 to 12-31-05
	Randy Vorhees	01-01-06 to 12-31-06



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF DELAWARE TOWNSHIP, DELAWARE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Delaware Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 18, 2006

DELAWARE TOWNSHIP, DELAWARE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 72,822	\$ 20,922	\$ 23,823	\$ 69,921
Dog	424	155	124	455
Township Assistance	16,716	10,607	20,955	6,368
Firefighting	51,127	15,674	15,000	51,801
Cumulative Fire	98,770	14,467	-	113,237
Totals	<u>\$ 239,859</u>	<u>\$ 61,825</u>	<u>\$ 59,902</u>	<u>\$ 241,782</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 69,921	\$ 10,776	\$ 25,822	\$ 54,875
Dog	455	164	155	464
Township Assistance	6,368	20,582	11,834	15,116
Firefighting	51,801	16,475	-	68,276
Cumulative Fire	113,237	16,577	-	129,814
Totals	<u>\$ 241,782</u>	<u>\$ 64,574</u>	<u>\$ 37,811</u>	<u>\$ 268,545</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 54,875	\$ 21,721	\$ 26,951	\$ 49,645
Dog	464	370	140	695
Township Assistance	15,116	8,076	12,133	11,059
Firefighting	68,276	16,692	9,566	75,402
Levy Excess	-	1,898	-	1,898
Cumulative Fire	129,814	15,963	56,508	89,269
Totals	<u>\$ 268,545</u>	<u>\$ 64,720</u>	<u>\$ 105,298</u>	<u>\$ 227,968</u>

The accompanying notes are an integral part of the schedules.

DELAWARE TOWNSHIP, DELAWARE COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

DELAWARE TOWNSHIP, DELAWARE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

1. Ledger balances and year to date totals were not carried forward properly.
2. The annual reports contained inaccurate totals. Detailed receipts did not always agree with Part I, Statement of Receipts, Disbursements, Cash Balances and Investment Balances.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

3. Investment income was not timely posted. Interest earned in January 2005 was not posted to the records until December 2005.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

4. Investment transactions were not properly recorded in the ledger.

When the investments are sold, the full amount of such sale should be entered as receipt to the fund from which the investment was made. The receipt should show separately the principal (purchase price) received and the interest received from the investment. At this time, the net purchase price (purchase price less accrued interest) should also be entered as a disbursement from the "Investments Fund." (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 18)

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest were paid to the Indiana Department of Revenue on December 10, 2004, for the period ended December 31, 2003.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DELAWARE TOWNSHIP, DELAWARE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PAYROLL DEDUCTIONS

Payments to some employees were made without payroll deductions for taxes.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

The following prescribed form was not always in use:

Township Form TA-1, Application for Township Assistance

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DELAWARE TOWNSHIP, DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2006, with Denise Thornburg, Trustee; and Randy Vorhees, Chairman of the Township Board.